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Robert G. Splawn, M.D.
Interim Chief Medical Officer

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 NOVEMBER 10, 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

November 10, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO TRAUMA CENTER
SERVICES AUGMENTATION AGREEMENT AND A
FISCAL YEAR 2009-10 BUDGET APPROPRIATION ADJUSTMENT
(SUPERVISORIAL DISTRICT 2)
(4 VOTES)**

SUBJECT

Request approval to extend the contract term of the Trauma Center Services Augmentation Agreement with St. Francis Medical Center, and a Fiscal Year 2009-10 budget appropriation adjustment.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services (Interim Director), or his designee, to execute Amendment No. 6 to Trauma Center Services Augmentation Agreement (TCSAA) No. H-700906 with St. Francis Medical Center (SFMC), to extend the term of the Agreement effective December 1, 2009, through November 30, 2012, with an option to extend on a month to month basis for up to one year, not to exceed a total of four years, with an annual maximum obligation of \$5.62 million.
2. Delegate authority to the Interim Director, or his designee, to amend this Agreement, to extend the term on a month to month basis for up to one-year, through November 30, 2013, if in the opinion of the Interim Director, it is in the best interest of the County to do so, with substantially similar terms and conditions, upon review and approval by the Chief Executive Office (CEO) and County Counsel and notification to your Board.
3. Approve the attached appropriation adjustment to reallocate \$1.47 million in Measure B Trauma Property Assessment (TPA) funds from Appropriation for Contingencies to Services and Supplies (S&S) in the Fiscal Year (FY) 2009-10 Measure B TPA Final Budget.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Interim Director to execute TCSAA Amendment No. 6, substantially similar to Exhibit I, to extend the Agreement through November 30, 2012, to maintain adequate emergency coverage for County-responsible persons residing in the former Martin Luther King, Jr. (MLK) Harbor Hospital catchment area until the targeted opening of a new MLK Hospital.

Approval of the second recommendation will allow the Interim Director to extend the term of the Agreement on a month to month basis up to one additional year, through November 30, 2013, if necessary.

Approval of the third recommendation will enable DHS to increase its FY 2009-10 S&S appropriation to fund trauma augmentation services for County-responsible persons redirected or coming from the MLK/H Hospital catchment area to SFMC.

Implementation of Strategic Plan Goals

The recommended actions support Goal 2, Children, Family, and Adult Well-Being, and Goal 4, Health and Mental Health of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The maximum obligation with SFMC for the period December 2009 through November 2012 is \$16.85 million, pursuant to the rate set forth in the TCSAA Agreement. The maximum obligation for the potential one-year extension through November 2013 is \$5.62 million for a total maximum obligation of \$22.47 million. The rate paid to SFMC, the maximum number of eligible patient days per month, and the six day maximum length of stay per admission, remain unchanged.

Since its inception in 2005, as approved by the Board of Supervisors, this program has been funded by the Maddy Emergency Medical Services Fund and Measure B TPA funds. For the remaining seven months of FY 2009-10 (December 2009 to June 2010), the total maximum obligation to SFMC is \$3.28 million of which \$1.81 million is already included in the Special Revenue Hospital Services Final Budget. The balance of \$1.47 million will be funded with Measure B TPA. The Measure B Special Fund Budget does not reflect funding for the extension of the TCSAA beyond November 2009. An appropriation adjustment is needed to reallocate \$1.47 million from Appropriation for Contingencies to S&S in the FY 2009-10 TPA Measure B Final Budget. For FY 2010-11 and future fiscal years, DHS will work with the CEO to ensure sufficient funding exists to fulfill the obligations of the TCSAA.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 22, 2005, your Board approved the TCSAA Agreement No. H-700906 with SFMC from March 1, 2005, through February 28, 2007, with a total maximum obligation of \$4.8 million to provide funding for increased emergency services, particularly trauma services, which occurred at SFMC as a result of the closure of MLK-Harbor Hospital's trauma services.

DHS exercised delegated authority to execute Amendments No. 1 and No. 4 to extend the term of the agreement. Amendment No. 4 extended the term of the current agreement through November 30, 2008.

Through subsequent Board actions, and most recently on July 15, 2008, this Agreement has been amended to revise eligibility requirements, revise the reimbursement rate, increase funding for Transitional Capacity to \$5.62 million, revise the total number of eligible claimable patient days per month, and extend the term to November 30, 2009.

This Board action will extend the Agreement's term through November 30, 2012, with a month to month renewal option up to a one-year term, through November 30, 2013 upon review and approval by the CEO and County Counsel and notification to your Board, and incorporates programmatic changes implemented during the contract term.

On October 19, 2009, the Treasurer and Tax Collector notified departments that your Board adopted a new Defaulted Property Tax Reduction Program Ordinance, effective August 20, 2009, and issued the Implementation Instructions with an effective date of October 20, 2009. As a result of the recent notification, the specific Agreement language was not available at the time this amendment was negotiated with SFMC. Therefore, this Amendment does not include the required language. The Department will add this new contract language in a future Amendment.

County Counsel has approved Exhibit I as to form.

ENVIRONMENTAL DOCUMENTATION

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this Amendment No. 6 will help to ensure that the current level of augmented transitional capacity services is maintained at SFMC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Schunhoff". The signature is fluid and cursive, with a large initial "J" and "S".

JOHN F. SCHUNHOFF, Ph.D.

Interim Director

JFS:cc

Enclosures

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPARTMENT OF HEALTH SERVICES

DEPT'S. NO. 110

October 7, 2009

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2009-10

4 - VOTES

SOURCES

HS - Measure B Special Tax Fund
BW9-HS-3303-41010-41011
Appropriation for Contingencies
Decrease Appropriation

USES

HS - Measure B Private Facilities
BW9-HS-2000-41010-41016
Services & Supplies
Increase Appropriation

SOURCES TOTAL: \$ 1,466,000

USES TOTAL: \$ 1,466,000

JUSTIFICATION

The appropriation adjustment is necessary to reallocate \$1,466,000 from Appropriation for Contingencies to Services and Supplies in the FY 2009-10 Trauma Property Assessment Measure B Final Budget to fund trauma augmentation services for County-responsible persons redirected or coming from the former Martin Luther King, Jr./Drew - Medical Center catchment area to St. Francis Medical Center for the period December 1, 2009 through June 30, 2010

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

Mela Guerrero
AUTHORIZED SIGNATURE : Mela Guerrero, Controller (DHS Controller's Div.)

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

23 NOV 10 2009

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Form with checkboxes for ACTION, RECOMMENDATION, APPROVED AS REQUESTED, APPROVED AS REVISED. Includes signatures of Karen Zukawa and Sachi A. Hamai, and dates Oct 9 20 09 and 10/11 20 09.

Contract No. _____

TRAUMA CENTER SERVICE AUGMENTATION AGREEMENT

AMENDMENT NO. 6

THIS AMENDMENT is made and entered into this _____ day of _____, 2009,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

ST. FRANCIS MEDICAL CENTER
(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "TRAUMA CENTER SERVICE AUGMENTATION AGREEMENT", dated March 1, 2005, and further identified as County Agreement No. H-700906, and any Amendments hereto (all hereafter referred to as "Agreement"); and

WHEREAS, the parties hereto have previously entered into a written agreement entitled "TRAUMA CENTER SERVICE AGREEMENT", dated July 1, 2008, and further identified as County Agreement No. H-703500, and any Amendments hereto; and

WHEREAS, the parties wish to extend the Agreement for an additional three (3) years, to and including November 30, 2012, with a month to month renewal option up to a maximum one year period, which may be exercised at the sole discretion of the Director of the Department of Health Services or his designee (hereafter Director), and would extend the Agreement to and including November 30, 2013; and

WHEREAS, the parties wish to allow the use of specific documents to verify County residency which establish eligibility to receive medical services under the terms of the Trauma Center Service Augmentation Agreement ("TCSAA"); and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. The TERM of this Agreement is hereby extended for three (3) years, to and including November 30, 2012. At the sole discretion of the Director, this Agreement may be extended for on a month to month basis up to a one year period, which would extend the Agreement to and including November 30, 2013, by execution of a written Amendment. Upon execution of such Amendment, and as contained therein, the Agreement shall extend on a month to month basis up to a one year period, unless County provides Contractor with written notice to terminate the Agreement, with termination effective on 30th day following delivery of such written notice.

2. Paragraph 5, FUNDING FOR TRANSITIONAL CAPACITY ALLOWANCE, of Agreement shall be revised and replaced to read as follows:

"5. FUNDING FOR TRANSITIONAL CAPACITY ALLOWANCE:

An allocation not to exceed \$5.62 million for each twelve (12) month period beginning December 1, 2006 as set forth herein, will ensure that Contractor will have appropriate capacity for trauma patients during the period of this Agreement.

To ensure availability of anticipated trauma care, County shall reimburse Contractor up to two hundred forty (240) days per month, with a

maximum reimbursement of six (6) days for each admission, per eligible patient, during the period of this Agreement. Reimbursement shall be at the rate of One Thousand Nine Hundred and Fifty Dollars (\$1,950) per eligible patient day ("eligible patient" as defined in County Agreement No. H-703500, Exhibit B, Section I.A, ELIGIBLE INDIGENT CARE FUNDING). Contractor may request that the County accept transfer of eligible indigent patients from Contractor. If County accepts such eligible Trauma Augmentation indigent patients for admission to a County facility, or other facility under contract with the County, the allowable billing days shall be reduced by four (4) days. This four day reduction shall be reduced by the number of days that the patient remains with Contractor from the date the Contractor contacted the Medical Alert Center (MAC) until the date of the actual transfer. Claims for reimbursement as set forth herein shall include a completed UB-04 Form with timely submission to the County's Emergency Medical Services (EMS) Agency, and shall be paid in accordance with the terms of the County Agreement No. H-703500.

If Contractor wishes the County to accept patients for transfer, such patients shall be presented to the County's MAC. Any patient not presented through the MAC at time of service shall not be eligible for reimbursement. Once the MAC has been contacted for a transfer, the Contractor may bill for any days (up to six [6] days) that the patient remains in house until the actual transfer.

In addition, the County's MAC shall assist Contractor by facilitating

the transfer of complex orthopedic and maxillo-facial trauma patients into the County-operated trauma centers within the capacity and/or capability of these trauma centers. Any transfer of such patients shall be included in the count of accepted transfers for the purpose of reducing the budget as set forth above.

Nothing in this Agreement shall be construed as to limit the number of patients the County accepts from Contractor should capacity be available in accordance with existing County EMS transfer policies and procedures.

Notwithstanding any other provision in this Agreement, Contractor may transfer patients to any County-operated acute care facility, or other facility under contract with the County, which is currently licensed under Section 1250 et seq. of the California Health and Safety Code.

Pursuant to Department of Health Services' requirements for identifying County residency, the Contractor shall make all reasonable efforts to obtain actual verification of residency. In the event such patient is not able to provide physical verification, the Contractor may utilize the Affidavit of Residency contained in Attachment A, attached hereto and incorporated herein by reference. This Affidavit shall be valid for any admission thirty (30) days prior to or after the current admission. In the event the Contractor is unable to secure an Affidavit of Residency from patient, Contractor may utilize a Patient Registration Summary (Face Sheet), an intake patient registration document, as verification of County

residency. Contractor's Face Sheet must contain patient's name and primary residence information."

3. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Interim Director of Health Services and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director

ST. FRANCIS MEDICAL CENTER
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM BY
THE OFFICE OF COUNTY COUNSEL

By _____
Deputy